

# Fiducian Australian Smaller Company Shares Fund



Monthly Report - February 2025

## Fund description

The Fiducian Australian Smaller Company Shares Fund invests in a diversified group of specialist Australian smaller company share managers. The Fund utilises the Fiducian “Manage the Manager” process, selecting best of breed managers with different styles with the aim of achieving superior returns with reduced risk.

Smaller companies typically offer better growth opportunities and perform differently at different stages of the business cycle compared to larger companies.

Smaller company shares tend to be more volatile over the short term, and the recommended holding period is at least 9 years.

## Fund facts

**Portfolio manager:** Conrad Burge

**ARSN:** 093 542 020

**APIR code:** FPS0008AU

**Benchmark:** ASX Small Ordinaries Acc Index

**Current fund size:** \$330 million (February 2025)

**Management cost:** 1.19%

**Total management costs:** 1.22%

**Application/Exit fee:** Nil

**Inception Date:** November 1997

Manager	Style			Size	
	Value	Core	Growth	Small	Micro
Ausbil		●			●
Pendal	●			●	
Phoenix		●			●
Perpetual	●			●	

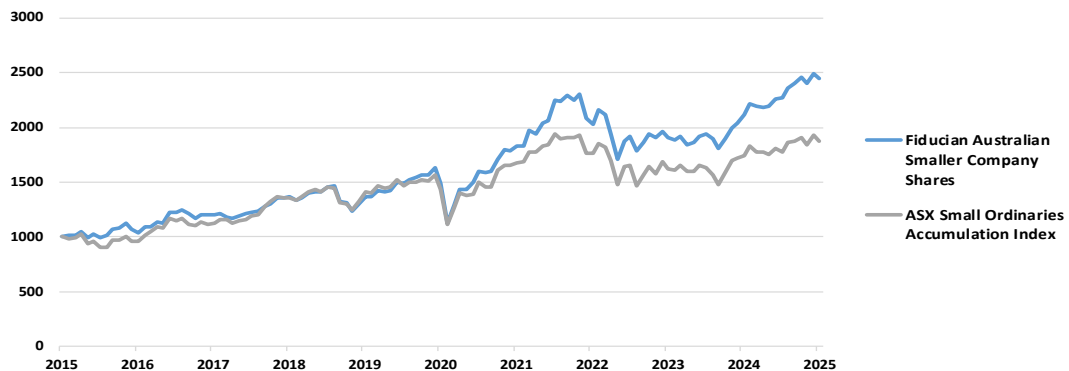
## Performance and Risk

After fee returns as at 28 February 2025

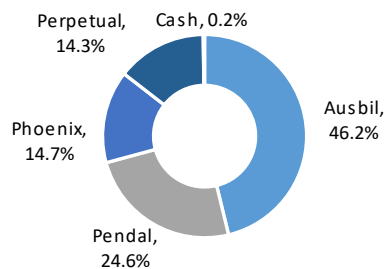
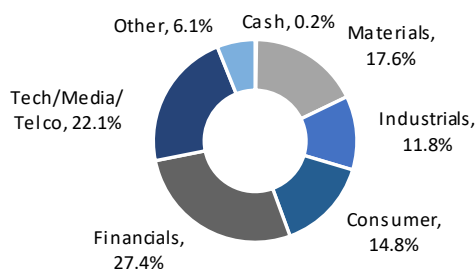
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-1.8%	-0.6%	7.4%	15.6%	6.5%	10.4%	8.7%	9.3%
Index	-2.8%	-1.5%	5.7%	7.3%	2.1%	5.6%	4.7%	6.5%
Excess	1.0%	0.8%	1.7%	8.2%	4.4%	4.9%	4.0%	2.8%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	7.9%	14.9%	20.0%	16.4%
Benchmark (Std Dev %)	10.6%	17.7%	20.3%	16.9%
Beta	0.65	0.78	0.92	0.90
Tracking Error (% pa)	3.9%	5.6%	6.0%	5.6%



## Sector exposures and current manager weights



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## Market Commentary and Outlook

The global economy has continued to sustain solid growth despite the persistence of tight monetary policy being implemented by most of the world’s major central banks in an effort to push inflation lower and back into target ranges. The latest report from the International Monetary Fund (IMF) noted that while global disinflation continues, it remains elevated in a few cases. Nonetheless, interest rates have continued to trend downwards, with the US central bank and the European Central Bank both lowering rates in recent months, although rate cuts may be paused for a time given recent high inflation data.

While US President Donald Trump returned to government with policies aimed at stimulating economic growth and productivity, concerns over tariffs and a growth slowdown saw the broad US stock market (S&P 500 Accumulation Index) decrease 1.3% over the month while the Australian market (ASX 200 Accumulation Index) fell 3.8%. Domestic and global bonds recorded positive returns over the same period. Commodity prices were mixed, with gains in gold, copper and iron ore, but coal and oil prices declined.

For some time now, key global share markets have been ‘pricing-in’ a shift by central banks towards less restrictive monetary policy, which has led to strong returns for equity investors. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global economic growth to be 3.3% in both 2025 and 2026, which is close to its long-term trend rate. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Fund Commentary

The Fiducian Australian Smaller Company Shares Fund declined 1.8% in February, which was above the benchmark return of -2.8%. Phoenix (-0.0%) was the top performer for the month. Over the last 12 months, Ausbil was the top manager (+24.8%) followed by Phoenix (+16.2%). For the 12 months to the end of February, the Fund has returned 15.6% compared to the index return of 7.3%.

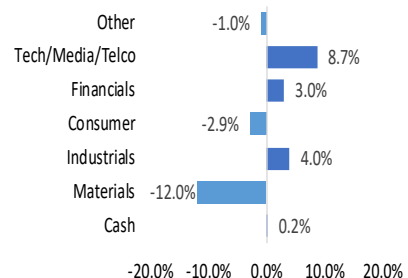
The Small Ordinaries Index decreased 2.8% in February, outperforming the broader market (ASX 200 Accumulation index) decline of 3.8%.

The Small Industrials Index fell 2.5% while the Small Resources Index lost 3.7% over the month. Microcap stocks fell 2.0% in the period.

At an aggregate level, the largest sectoral tilts in the Fund are overweight positions in the Information Technology and Telecommunication sectors, followed by the Industrials sector. The biggest underweight position is in the Materials sector.

## Top stock holdings and sector tilts

Stock	Industry	Weight
Generation Development Group	Diversified Financial Services	5.2%
Aussie Broadband	Telecommunications	3.0%
Life360	Software	2.8%
Codan	Information Technology	2.8%
Maas Group Holdings	Engineering & Construction	2.3%
Genesis Minerals Ltd	Diversified Minerals	2.3%
Zip Co	Commercial Services	2.3%
EQT Holdings	Diversified Financial Services	2.3%
Pinnacle Investments	Diversified Financial Services	2.1%
Hub24	Software	2.0%



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